

COMMONWEALTH OF PUERTO RICO  
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS  
PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY

RESOLUTION NO. 2009- 24

TO RATIFY THE AUTHORIZATION TO OBTAIN A LINE OF CREDIT OF \$100,000,000 FROM GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO USED TO PAY BANCO POPULAR DE PUERTO RICO'S PORTION OF THE PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY \$400,000,000 SUBORDINATED TRANSPORTATION REVENUE REFUNDING BONDS (SERIES 2008 A)

WHEREAS, Puerto Rico Highways and Transportation Authority (the "Authority") accepted an offer from certain holders of the Authority's \$400,000,000 Subordinated Transportation Revenue Refunding Bonds (Series 2008 A) (the "Bonds");

WHEREAS, Banco Popular de Puerto Rico, one of the holders of the Bonds, confirmed its decision not to extend the maturity on \$100,000,000 aggregate principal amount of Bonds held by it, requiring payment in full of such Bonds prior to effecting the extension;

WHEREAS, the Authority had no financial resources to repay this portion of the Bonds, which became due on August 28, 2009;

WHEREAS, failure to prepay the Bonds would have represented a default on the terms and conditions of the Bonds;

WHEREAS, the Authority proposed to repay this interim financing with the proceeds of the next bond issue to be made by the Authority; and

WHEREAS, the Government Development Bank (the "GDB") provided such financing of \$100,000,000 on August 29, 2009 in accordance with the terms and conditions herein below set forth, which the GDB understood was enough to cover the immediate and urgent need of funds of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Secretary of Transportation and Public Works:

1. The Authority ratifies the acceptance of the terms and conditions of a loan in an aggregate principal amount of \$100,000,000 (the "Loan"), for the timely payment of such amount to Banco Popular of Puerto Rico's portion of the Authority's \$400,000,000 Subordinated Transportation Revenue Refunding Bonds (Series 2008 A).
2. The principal amount of the Loan shall mature and be due and payable on August 30, 2011. Said principal shall be payable solely from proceeds of bonds to be issued by the Authority pursuant to the provisions of the respective sections of the Resolutions or from any available moneys of the Authority. The President of the GDB is authorized to extend further, if necessary, the maturity date of the Loan from time to time, but in no event will the maturity of the Loan be extended beyond August 30, 2013. The Loan shall bear interest until paid in full at a rate or rates per annum determined in accordance with the Loan Agreement to be entered by and between the Authority and the GDB (the "Loan Agreement"). Interest shall be payable monthly in arrears not later than the tenth Banking Day (as defined in the Loan Agreement) following receipt from the GDB of the statement referred to in the next sentence of this paragraph, from any available moneys of the Authority. Each month the GDB shall furnish to the Authority a written statement showing the amount of interest due and

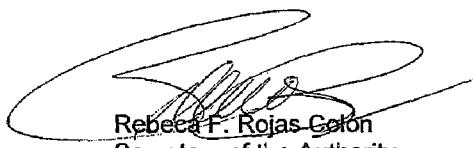
payable by the Authority on the Loan for the preceding month. The Authority may prepay the Loan at any time without penalty or premium. The Loan shall be junior and subordinate to outstanding bonds of the Authority and shall be subject to certain other terms and conditions to be included in the Loan Agreement.

3. The execution and delivery by the Executive Director of the Authority of the Loan, by and between the Authority and the GDB, was duly authorized and is hereby ratified, which Loan is evidenced by a promissory note in favor of the GDB, dated August 28, 2009, in the amount of \$100,000,000 (the "Promissory Note"). Upon the execution of the Loan Agreement, the advances evidenced by a demand Promissory Note shall be refinanced under the Loan Agreement and the Authority shall execute a new note in the principal amount of the Loan.
4. This Resolution ratifies the official intent under US Treasury Department Regulation Section 1.150-2.
5. The Executive Director is hereby authorized to take the actions to carry out the provisions of this Resolution, including execution of the Loan Agreement, and to include other terms and conditions necessary to protect the Authority's interests.
6. The provisions of this Resolution shall become effective immediately upon its adoption.

In San Juan, Puerto Rico, as October 29, 2009.



Rubén A. Hernández Gregorat  
Secretary  
Department of Transportation  
and Public Works



Rebeca F. Rojas Colón  
Secretary of the Authority